MVS LOB

FY00 Costs Presentation

DAC - MECH
John Snider
24 Mar 00

Presentations

- **FY00 Costs**
- **Functional Analysis of Costs**
- **Conclusions and Recommendations**

FY00 Cost Agenda

- **Operating Budget vs Execution**
  - ***Overview***
  - ***Details***

- **FY00 Transfer-In Analysis**
  - ***Overview***
  - ***Details***

Operating Budget vs Execution

FY 00 Costs

Overview

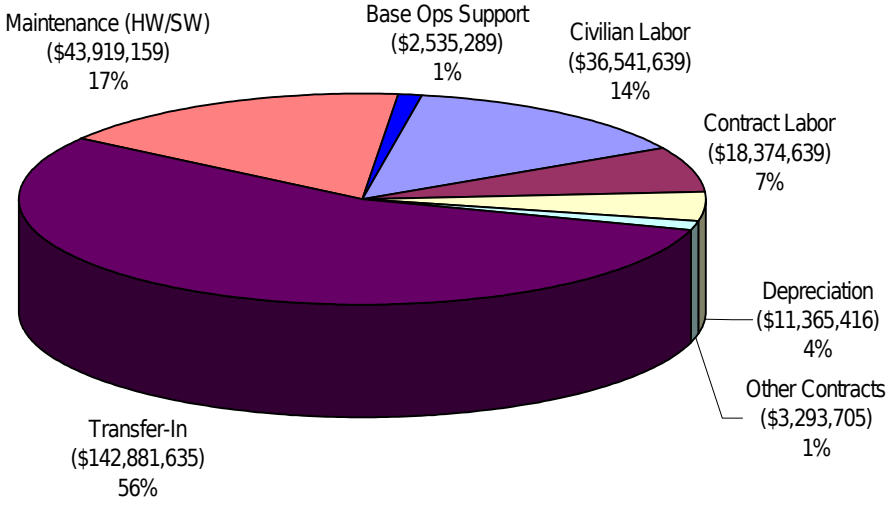
FY 00 Total MVS Costs
Based on FY 00 Operating Budget

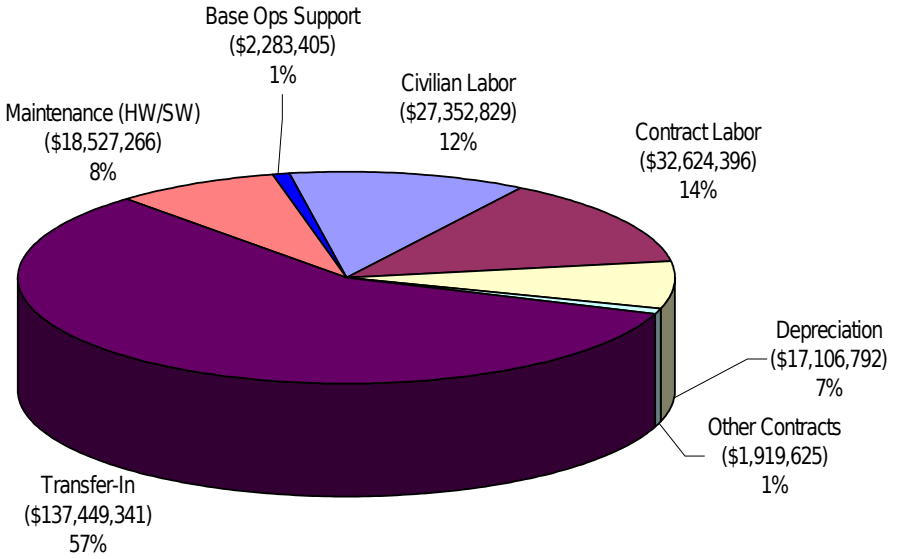
$258,911,482

$21 million below plan

FY 00 Total MVS Costs
Based on FY 00 Actual through 31 Jan 00,
straight-lined through 30 Sept 00

$237,263,655





FY 00 Costs

Execution Details

FY00 Actual Costs through 31 Jan 00, straight-lined through 30 Sept 00

Fy 00	Total		Chambersburg		Columbus		Mechanicsburg		Ogden		Oklahoma City		St. Louis	
% Labor Costs Civilian	46%		8%		81%		62%		87%		66%		16%	
% Labor Costs Contract	54%		92%		19%		38%		13%		34%		84%	
Total Labor	$59,977,225	25.28%	$4,345,431	32.97%	$7,414,804	24.75%	$16,363,916	22.96%	$5,421,164	18.95%	$4,137,924	14.30%	$22,293,986	34.15%
Civilian Labor	$27,352,829	11.53%	$346,993	2.63%	$5,974,297	19.94%	$10,110,217	14.18%	$4,689,408	16.39%	$2,740,429	9.47%	$3,491,484	5.35%
Contract Labor	$32,624,396	13.75%	$3,998,438	30.34%	$1,440,506	4.81%	$6,253,699	8.77%	$731,755	2.56%	$1,397,495	4.83%	$18,802,502	28.80%
Depreciation	$17,106,792	7.21%	$219,666	1.67%	$1,987,380	6.63%	$2,873,537	4.03%	$4,863,173	17.00%	$1,666,437	5.76%	$5,496,599	8.42%
Other Contracts	$1,919,625	0.81%	$396,437	3.01%	$69,040	0.23%	$8,295	0.01%	($42,533)	-0.15%	$159,306	0.55%	$1,329,081	2.04%
Transfer-In	$137,449,341	57.93%	$7,588,699	57.57%	$20,358,396	67.95%	$36,627,269	51.39%	$19,473,763	68.07%	$21,628,450	74.72%	$31,772,765	48.67%
Maintenance (HW/SW)	$18,527,266	7.81%	$593,639	4.50%	$133,253	0.44%	$13,820,256	19.39%	($1,105,830)	-3.87%	$1,117,985	3.86%	$3,967,964	6.08%
Base Ops Support	$2,283,405	0.96%	$36,699	0.28%	$0	0.00%	$1,583,400	2.22%	$0	0.00%	$235,133	0.81%	$428,173	0.66%
Totals	$237,263,655		$13,180,570		$29,962,872		$71,276,673		$28,609,738		$28,945,235		$65,288,567	

FY 00 Costs

Budget Change

The change in “FY00 Actual Costs through 31 Jan 00, ght-lined through 30 Sept 00” versus “FY00 Operating Budg

Fy 00	Total	Chambersburg	Columbus	Mechanicsburg	Ogden	Oklahoma City	St. Louis
Total Labor	$5,060,947	$2,652,565	($2,418,177)	($958,570)	$296,669	($3,402,227)	$8,890,687
Civilian Labor	($9,188,810)	$163,745	($1,642,684)	($785,034)	($238,403)	($1,856,722)	($4,829,713)
Contract Labor	$14,249,757	$2,488,820	($775,494)	($173,536)	$535,071	($1,545,505)	$13,720,400
Depreciation	$5,741,376	$197,058	($210,341)	$67,065	$1,564,060	$466,437	$3,657,097
Other Contracts	($1,374,080)	$96,437	($1,536,138)	($1,150)	($669,706)	$58,306	$678,172
Transfer-In	($5,432,294)	$887,159	($4,467,046)	($613,209)	($117,407)	$953,080	($2,074,870)
Maintenance (HW/SW)	($25,391,893)	($1,072,161)	($6,119,071)	($8,252,116)	($2,432,284)	($735,015)	($6,781,245)
Base Ops Support	($251,884)	$36,699	($55,000)	($336,230)	($210,659)	($114,867)	$428,173
Totals	($21,647,827)	$2,797,756	($14,805,774)	($10,094,210)	($1,569,326)	($2,774,286)	$4,798,013

FY00 Transfer-In Analysis

FY 00 Costs

FY 00 Transfers-In through 31 January 00

^^ Correct figure is ($546,807). Incorrect data entry.

OE	OE Description	Cost (4 months)	Percentage	
73	Other Transfers OUT (intra DMC transfers) ^^	535,352		
80	Transfers OUT	(222,500)		
*	In From DMCs (The original 16 DMCs) // OEs -- 81-89, 8A-8G	477,683	1.03%	
*	Trans In From Area Commands // OEs -- 66-69, 6B	776,342	1.68%	
79	Other Transfers IN/OUT	-	0.00%	
6H	Trans In From Overall Headquarters Costs and RSAs that do not have an individual OE	73,859	0.16%	
6G	Trans In From Centralized Support Costs - Denver Operations	-	0.00%	
74	Other Transfers IN	-	0.00%	
65	Transfers In From Centralized Support Costs - RM (Denver)	941,992	2.03%	
6F	Transfers In From NCR	7,844	0.02%	
6C	Trans In From SSO (includes former Dayton Centralized Resource Management Costs)	2,115,991	4.57%	
6D	Trans In From Logistics and Security (Letterkenny)	23,947,986	51.70%	
91	Applied Prod Overhead	4,532,401	9.78%	
92	Applied G & A Overhead	13,135,410	28.36%	**Straight-lined Projected Total**
	Total	**$46,322,360**		**$ 137,449,341**

FY 00 Costs

Executive Software (SSO)

Distribution of OE 6C, Executive Software Transfers-In Through 31 January 00

		Executive Software		
OE	**OE Description**	**Labor Hours**	**Total Costs**	
01	Civilian Regular Labor	27,298.9	$1,222,321	
02	Civilian Overtime	967.9	$42,879	
03	Civilian Holiday Worked	8.0	$371	
15	Material & Supplies Comm	-	($168)	
22	Software maint/lease	-	($1,794)	
24	Commercial Comm	-	$10,582	
33	Contract Labor-Machine Rm	-	$728,329	
35	Training	-	$26,639	
37	Othr Contr Labor-Non-Mach	-	($9,142)	
3C	Defense Pub & Print Svcs	-	$333	
3F	Naval Base Operating Sup	-	$49,098	
3H	Air Force BOS	-	$20,325	
40	Travel Per Diem & Other	-	$17,832	
41	Travel TR	-	$8,289	**Straight-lined**
54	Hardware Non-Capital)	-	$98	**Projected Total**
Total Trans In to OE 6C (SSO) - For the MVS Line of Business		**28,274.8**	**$2,115,991**	**$6,347,974**

FY 00 Costs

Logistics and Security

Distribution of OE 6D, Logistics and Security Transfers-In Through 31 January 00

		Logistics		Security		Total Logistics/Security		
OE	OE Description	Labor Hours	Total Costs	Labor Hours	Total Costs	Labor Hours	Total Costs	
01	Civilian Regular Labor	8,015.2	$338,861	5,745.0	$227,610	13,760.2	$566,471	
02	Civilian Overtime	46.5	$1,939	146.0	$5,654	192.5	$7,594	
03	Civilian Holiday Worked		$0	11.4	$539	11.4	$539	
04	Civilian Incentive Awards		$0		$286	-	$286	
15	Material & Supplies Comm		$233		$29,150	-	$29,382	
22	Software maint/lease		$20,713,993		$90,742	-	$20,804,735	
23	Hardware maint/lease		$1,657,982		$103	-	$1,658,084	
33	Contract Labor-Machine Rm		$229,657		$0	-	$229,657	
35	Training		$0		($71)	-	($71)	
37	Othr Contr Labor-Non-Mach		$139		$628,177	-	$628,316	
3H	Air Force BOS		$1,487		$0	-	$1,487	
40	Travel Per Diem & Other		$5,323		$16,516	-	$21,839	
41	Travel TR		$257		($1,056)	-	($798)	
43	Leased Vehicles		$0		$515	-	$515	Straight-lined
44	Miscellaneous		$0		($49)	-	($49)	Projected Total
Total Trans In to OE 6D (Logistics and Security) - For the MVS Line of Business		**8,061.7**	**$22,949,872**	**5,902.4**	**$998,115**	**13,964.1**	**$23,947,986**	**$71,843,959**

FY 00 Costs

ribution of OE 91, Production Overhead -- DMC Mechanicsl
Through 31 January 00

		Production Overhead for MVS for DMC Mechanicsburg		
OE	**OE Description**	**Labor Hours**	**Total Costs**	
01	Civilian Regular Labor	7,752.0	$327,864	
02	Civilian Overtime	1,528.4	$55,981	
03	Civilian Holiday Worked	91.1	$3,365	
50	Regular Depreciation		$7,635	
6F	Trans In From DHQNCR		$12,657	
73	Other Transfers OUT		$42,502	**Straight-lined**
8E	In From DMC Warner Robins		$15,941	**Projected Total**
Total Trans In to OE 91 (Production Overhead) - For the MVS Line of Business -- DMC Mechanicsburg		**9,371.6**	**$465,944**	**$1,397,832**

FY 00 Costs

Distribution of OE 92, G&A -- DMC Mechanicsburg Through 31 January 00

		G&A for MVS for DMC Mechanicsburg		
OE	**OE Description**	**Labor Hours**	**Total Costs**	
01	Civilian Regular Labor	4,494.5	$129,254	
02	Civilian Overtime	293.9	$9,661	
03	Civilian Holiday Worked	13.0	$533	
04	Civilian Incentive Awards		$8,987	
15	Material & Supplies Comm		$7,735	
24	Commercial Comm		$5,221	
28	Commer Maint & Rep Bldg		($7)	
35	Training		$38,196	
37	Othr Contr Labor-Non-Mach		$19,518	
40	Travel Per Diem & Other		$38,338	
41	Travel TR		$22,252	
42	Transportation(sup/equip)		$250	
54	Hardware Non-Capital)		($1,358)	
65	Transfers In From DHQDEN		$288,811	
69	Trans In From ARCMEC		$571,296	
6C	Trans In From DHQEXC		$1,104	
6D	Trans In From DHQLGL		$27,139	
6F	Trans In From DHQNCR		$721,375	
6G	Trans In From DHQCNT		$168,713	
73	Other Transfers OUT		$40,447	**Straight-lined Projected Total**
8C	In From DMC Chambersburg		$8,939	
Total Trans In to OE 92 (G&A) - For the MVS Line of Business -- DMC Mechanicsburg		**4,801.3**	**$2,106,405**	**$6,319,214**

FY 00 Costs

Distribution of OE 69 from DMC Mechanicsburg's G&A Through 31 January 00

		G&A for OE 69 in to DMC Mechanicsburg		
OE	**OE Description**	**Labor Hours**	**Total Costs**	
01	Civilian Regular Labor	3,540.3	$141,979	
02	Civilian Overtime	368.4	$15,188	
03	Civilian Holiday Worked	14.8	$748	
04	Civilian Incentive Awards	-	$1,843	
0A	Military Labor Officer	373.9	$19,759	
15	Material & Supplies Comm		$2,428	
23	Hardware maint/lease		$462	
24	Commercial Comm		$1,221	
35	Training		$2,186	
37	Othr Contr Labor-Non-Mach		$5,416	
3F	Naval Base Operating Sup		$357,029	
40	Travel Per Diem & Other		$11,816	
41	Travel TR		$7,473	
43	Leased Vehicles		$3,754	**Straight-lined**
54	Hardware Non-Capital)		($5)	**Projected Total**
Total Trans In to OE 69 from Area Command Mechanicsburg to DMC Mechanicsburg's G&A		**4,297.4**	**$571,296**	**$1,713,889**

Functional Analysis of Costs

AGENDA

- **Overview**
  - ***Revenue vs Cost***
- **CPU Analysis**
- **I/O Analysis**
- **DASD Analysis**
- **Tape**
  - ***Reel***
  - ***Cartridge***

FY00 Revenue Areas

	Revenue	Cost (from BOE)
CPU	$137,448,899	$171,784,625
I/O	$28,514,983	$24,730,464
DASD	$35,488,988	$21,190,669
TAPE - REEL	$716,070	$1,403,348
TAPE - CART	$40,782,908	$31,972,296
	$242,951,847	$251,081,403
CHAMBERSBURG	$8,153,058	$10,655,234
TOTALS	$251,104,905	$261,736,637

Revenue data based on straight-line projection of gross charges through 31 January 2000

FY00 BOE / Budget Comparison

	Columbus DMC		Mechanicsburg DMC		Ogden DMC		Oklahoma DMC		St. Louis DMC		Chambersburg RSA		MVS LOB	
	BOE		BOE		BOE		BOE		BOE		BOE		BOE	
Civilian / Contractor	$9,407,516	96.75 / 9.00	$17,322,549	178.00 / 59.15	$5,536,910	81.00 / 5.44	$7,317,181	68.15 / 38.93	$13,044,379	128.42 / 79.13	$1,708,831	4.0 / 14.0		
Hardware	$6,676,216		$11,160,679		$3,900,765		$2,054,340		$8,521,278		$1,688,758			
Software	$3,582,596		$13,727,642		$246,278		$997,984		$3,780,582		$73,374			
Other	$441,918		$1,919,633		$915,436		$459,442		$1,516,439		$307,134			
Total Local Cost	$20,108,246		$44,130,503		$10,599,389		$10,828,947		$26,862,678		$3,778,097			
Transfer In	$11,908,103	59.22%	$20,586,881	46.65%	$15,382,892	145.13%	$12,086,103	111.61%	$20,828,138	77.54%	$4,695,796	124.29%		
Production OH	$2,993,529	9.35%	$4,103,082	6.34%	$1,766,795	6.80%	$2,930,835	12.79%	$1,934,502	4.06%	$402,510	4.75%		
Local G & A	$3,490,485	9.97%	$3,151,977	4.58%	$1,193,210	4.30%	$2,682,803	10.38%	$4,723,916	9.52%	$1,434,427	16.16%		
Corp G &A	$6,746,403	19.27%	$9,400,876	13.66%	$3,021,874	10.89%	$3,176,459	12.29%	$6,443,097	12.98%	$344,404	3.88%		
BOE	**$45,246,767**		**$81,373,319**		**$31,964,158**		**$31,705,149**		**$60,792,011**		**$10,655,234**		**$261,736,638**	
FY00 Budget	**$44,768,646**		**$81,370,883**		**$30,179,064**		**$31,719,521**		**$60,490,554**		**$10,382,814**		**$258,911,482**	
BOE / Budget Difference	**$478,121**		**$2,436**		**$1,785,094**		**-$14,372**		**$301,457**		**$272,420**		**$2,825,156**	
Projected Revenue	**$34,627,865.34**		**$90,278,896.08**		**$22,699,875.43**		**$22,277,443.00**		**$73,067,768.00**		**$8,153,058.00**		**$251,104,905.85**	

FY00 CPU Function BOE

	Columbus DMC		Mechanicsburg DMC		Ogden DMC		Oklahoma DMC		St. Louis DMC		MVS LOB
Civilian / Contractor	$8,156,532	87.75 / 2.00	$13,696,923	134.00 / 48.65	$3,773,612	49.00 / 4.53	$6,242,241	66.15 / 21.15	$7,557,937	76.25 / 31.89	
Hardware	$4,081,620		$4,880,802		$3,226,779		$603,810		$4,511,265		
Software	$1,710,585		$9,566,006		$246,278		$958,106		$2,515,000		
Other	$167,476		$1,478,295		$902,229		$169,997		$286,275		
Total Local Cost	**$14,116,213**		**$29,622,026**		**$8,148,898**		**$7,974,154**		**$14,870,477**		
Transfer In	$8,359,621	59.22%	$13,818,676	46.65%	$11,826,495	145.13%	$11,508,299	144.32%	$12,259,318	82.44%	
Production OH	$2,101,491	9.35%	$2,754,141	6.34%	$1,358,327	6.80%	$2,491,806	12.79%	$1,069,518	3.94%	
Local G & A	$2,450,359	9.97%	$2,115,724	4.58%	$917,350	4.30%	$2,280,928	10.38%	$2,010,611	7.13%	
Corp G &A	$4,736,051	19.27%	$6,310,216	13.66%	$2,323,242	10.89%	$2,700,636	12.29%	$3,660,271	12.98%	
Total Overall Cost	**$31,763,735**		**$54,620,782**		**$24,574,311**		**$26,955,823**		**$33,869,974**		**$171,784,625**
Projected Revenue	**$21,929,839**		**$45,554,076**		**$14,473,402**		**$14,207,269**		**$41,284,314**		**$137,448,899**

FY00 I/O Function BOE

	Columbus DMC		Mechanicsburg DMC		Ogden DMC		Oklahoma DMC		St. Louis DMC		MVS LOB
Civilian / Contractor	$362,226	4.00 / 0.00	$1,886,031	16.00 / 7.50	$364,311	7.00 / 0.00	$122,565	0.50 / 1.00	$1,589,232	16.02 / 6.70	
Hardware	$889,400		$625,507		$53,455		$368,132		$948,598		
Software	$348,156		$3,654,183						$528,838		
Other	$87,733		$182,330				$28,685		$60,196		
Total Local Cost	**$1,687,515**		**$6,348,051**		**$417,766**		**$519,382**		**$3,126,864**		
Transfer In	$999,347	59.22%	$2,961,366	46.65%	$606,303	145.13%	$92,190	17.75%	$2,577,807	82.44%	
Production OH	$251,222	9.35%	$590,217	6.34%	$69,637	6.80%	$78,220	12.79%	$224,891	3.94%	
Local G & A	$292,927	9.97%	$453,403	4.58%	$47,029	4.30%	$71,600	10.38%	$422,778	7.13%	
Corp G &A	$566,169	19.27%	$1,352,290	13.66%	$119,104	10.89%	$84,775	12.29%	$769,657	12.98%	
Total Overall Cost	**$3,797,180**		**$11,705,327**		**$1,259,839**		**$846,168**		**$7,121,950**		**$24,730,464**
Projected Revenue	**$3,123,241**		**$11,985,416**		**$2,041,884**		**$2,758,667**		**$8,605,776**		**$28,514,983**

FY00 DASD Function BOE

	Columbus DMC		Mechanicsburg DMC		Ogden DMC		Oklahoma DMC		St. Louis DMC		MVS LOB
Civilian / Contractor	$288,045	2.50 / 0.50	$792,763	8.00 / 1.5	$674,602	8.00 / 0.91	$144,803	0.50 / 0.58	$1,833,817	18.50 / 7.74	
Hardware	$351,398		$2,619,953		$377,448		$830,134		$1,094,605		
Software			$0						$610,235		
Other			$102,210				$148,192		$69,464		
Total Local Cost	**$639,443**		**$3,514,926**		**$1,052,050**		**$1,123,129**		**$3,608,121**		
Transfer In	$378,678	59.22%	$1,639,713	46.65%	$1,526,840	145.13%	$235,520	20.97%	$2,974,577	82.44%	
Production OH	$95,194	9.35%	$326,804	6.34%	$175,364	6.80%	$173,771	12.79%	$259,505	3.94%	
Local G & A	$110,998	9.97%	$251,050	4.58%	$118,433	4.30%	$159,065	10.38%	$487,849	7.13%	
Corp G &A	$214,536	19.27%	$748,765	13.66%	$299,938	10.89%	$188,335	12.29%	$888,118	12.98%	
Total Overall Cost	**$1,438,848**		**$6,481,258**		**$3,172,625**		**$1,879,821**		**$8,218,117**		**$21,190,669**
Projected Revenue	**$4,088,143**		**$15,337,693**		**$3,939,937**		**$2,496,534**		**$9,626,681**		**$35,488,988**

FY00 Tape Function BOE

	Columbus DMC		Mechanicsburg DMC		Ogden DMC		Oklahoma DMC		St. Louis DMC		MVS LOB
Civilian / Contractor	$600,713	2.50 / 6.50	$946,832	20.00 / 1.50	$724,385	17.00 / 0.00	$807,572	1.00 / 16.20	$2,063,393	17.64 / 32.79	
Hardware	$1,353,798		$3,034,417		$243,083		$252,264		$1,966,810		
Software	$1,523,855		$507,453				$39,878		$126,509		
Other	$186,709		$156,798		$13,207		$112,568		$1,100,504		
Total Local Cost	**$3,665,075**		**$4,645,500**		**$980,675**		**$1,212,282**		**$5,257,216**		
Transfer In	$2,170,457	59.22%	$2,167,126	46.65%	$1,423,254	145.13%	$250,094	20.63%	$3,016,436	57.38%	
Production OH	$545,622	9.35%	$431,920	6.34%	$163,467	6.80%	$187,038	12.79%	$380,588	4.60%	
Local G & A	$636,201	9.97%	$331,800	4.58%	$110,398	4.30%	$171,209	10.38%	$1,802,678	20.83%	
Corp G &A	$1,229,648	19.27%	$989,605	13.66%	$279,589	10.89%	$202,713	12.29%	$1,125,051	13.00%	
Total Overall Cost	**$8,247,004**		**$8,565,951**		**$2,957,383**		**$2,023,337**		**$11,581,970**		**$33,375,645**
Projected Revenue	**$5,486,643**		**$17,401,712**		**$2,244,653**		**$2,814,973**		**$13,550,997**		**$41,498,978**

The next two slides identify each Tape Function, Reel and Ca

FY00 Tape Reel BOE

	Columbus DMC		Mechanicsburg DMC		Ogden DMC		Oklahoma DMC		St. Louis DMC		MVS LOB
Civilian / Contractor	$3,004	.07 / .02	$197,681	6.00 / 0.00	$30,738	1.00 / 0.00	$32,316	.04 / .65	$20,634	.18 / .33	
Hardware	$15		$222,119		$68,982		$6,872		$18,824		
Software	$7,619		$37,146				$1,596				
Other	$13,910		$11,478		$265		$2,163		$11,005		
Total Local Cost	**$24,548**		**$468,424**		**$99,985**		**$42,947**		**$50,463**		
Transfer In	$14,537	59.22%	$218,520	51.91%	$145,109	145.13%	$8,860	20.63%	$28,954	57.38%	
Production OH	$3,654	9.35%	$43,552	6.34%	$16,666	6.80%	$6,626	12.79%	$3,653	4.60%	
Local G & A	$4,261	9.97%	$33,457	4.58%	$11,256	4.30%	$6,065	10.38%	$17,303	20.83%	
Corp G &A	$8,236	19.27%	$99,786	13.66%	$28,506	10.89%	$7,181	12.29%	$10,799	13.00%	
Total Overall Cost	**$55,236**		**$863,738**		**$301,521**		**$71,680**		**$111,173**		**$1,403,348**
Projected Revenue	**$36,548**		**$235,176**		**$210,738**		**$130,346**		**$103,261**		**$716,070**

FY00 Tape Cartridge BOE

	Columbus DMC		Mechanicsburg DMC		Ogden DMC		Oklahoma DMC		St. Louis DMC		MVS LOB
Civilian / Contractor	$594,706	2.48 / 6.43	$749,151	14.00 / 1.50	$693,647	16.00 / 0.00	$775,256	.96 / 15.55	$2,042,759	17.46 / 32.47	
Hardware	$1,367,654		$2,812,298		$174,101		$245,391		$1,947,987		
Software	$1,491,994		$470,307				$38,282		$126,509		
Other	$186,173		$145,320		$12,942		$110,406		$1,089,499		
Total Local Cost	**$3,640,527**		**$4,177,076**		**$880,690**		**$1,169,335**		**$5,206,754**		
Transfer In	$2,155,920	59.22%	$1,948,606	51.91%	$1,278,145	145.13%	$241,234	20.63%	$2,987,482	57.38%	
Production OH	$541,968	9.35%	$388,368	6.34%	$146,801	6.80%	$180,412	12.79%	$376,935	4.60%	
Local G & A	$631,940	9.97%	$298,343	4.58%	$99,142	4.30%	$165,144	10.38%	$1,785,375	20.83%	
Corp G &A	$1,221,413	19.27%	$889,819	13.66%	$251,084	10.89%	$195,532	12.29%	$1,114,252	13.00%	
Total Overall Cost	**$8,191,768**		**$7,702,213**		**$2,655,862**		**$1,951,656**		**$11,470,798**		**$31,972,296**
Projected Revenue	**$5,450,095**		**$17,166,535**		**$2,033,915**		**$2,684,627**		**$13,447,736**		**$40,782,908**

Conclusions and Recommendations

Conclusions

- **Current Methods of coding cost are non standard and do not support accurate costs**
  - ***How resources coded subject to site/HQ interpretation***
  - ***Applied costs vs actual costs***
- **Not currently spending IAW budget plan**
- **Full FTE support for MVS LOB is unclear**

Recommendations

- **Standardize Current Accounting Practices**
  - ***Area Commands (Functions)***
    - People
    - Resources (Hardware/Software)
    - Percent Spread within BOE
  - ***Headquarters***
    - ‘A’ vs ‘C’ goal (hardware and software)
    - Align Resource Pool Charging (by line item)
    - Identify all costs sent to the MVS LOB

Recommendations

- **Review Cost Details**
  - ***Local Level vs Headquarters***
    - Duplication of effort
    - FTEs (for MVS LOB)
    - H/W and S/W
  - ***Identify what MVS LOB is paying for and getting (value for cost)***
    - Needed (Y/N)
    - Hard Plans vs 'Just in Case'
  - ***Breakout all HQ/AC Applied Charges (OE 91&92)***

Proposal

- **Standardize in Two Phases**
  - ***Phase One: Working Session for ACs (1-2 weeks)***
    - Review all elements and assign all resources by functions
    - Must have dedicated participation from each AC
    - Not allowed to leave session until completed
    - Must have access to BFEMS/IFAS (for information and to make the changes while all together)
    - Rerun BOEs based on standard method
    - Rework Cost presentation
  - ***Phase Two: Repeat above for HQs costs***

Benefit

- **First Time Realization of MVS Cost**
- **Identify actual costs by function**
- **Standardization**